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Attorney Docket No. 056222-5085-US

**IN THE UNITED STATES PATENT AND TRADEMARK OFFICE**

In re Application of	)	
Inventors: Alan L. HUDD et al.	)	Attn: Office of PCT Legal Administration
Appln. No. 10/520,977	)	
Filed: January 11, 2005	)	Group Art Unit: unknown
Title: INKJET MAINTENANCE KIT	)	Examiner: unassigned

**RENEWED PETITION UNDER 37 C.F.R. § 1.137(b)**

Mail Stop PCT  
Commissioner for Patents  
Office of PCT Legal Administration  
P.O. Box 1450  
Alexandria, Virginia 22313-1450

Dear Sir:

The applicants herewith submit this Renewed Petition under 37 CFR 1.137(b) requesting reconsideration of the Supplemental Decision dated February 28, 2006 on the applicants' earlier Petition to Revive the above application.

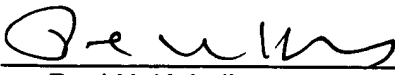
The applicants' Request for Reconsideration of the Supplemental Decision is attached.

No fee is thought to be required but if one should be, please charge to Deposit Account No. 50-0310

Favorable consideration is requested.

Respectfully submitted,

**MORGAN, LEWIS & BOCKIUS LLP**

By:   
Paul N. Kokulis  
Reg. No. 16,773

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Tel.: (202) 739-3000

Date: April 27, 2006



Attorney Docket No. 05 6222-5085-US

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

In re Application of	)	
Inventors: Alan L. HUDD et al.	)	Attn: Office of PCT Legal Administration
Appln. No. 10/520,977	)	
Filed: January 11, 2005	)	Group Art Unit: unknown
Title: INKJET MAINTENANCE KIT	)	Examiner: unassigned

**REQUEST FOR RECONSIDERATION OF  
SUPPLEMENTAL DECISION DENYING PETITION TO REVIVE**

Mail Stop PCT  
Commissioner for Patents  
Office of PCT Legal Administration  
P.O. Box 1450  
Alexandria, Virginia 22313-1450

Dear Sir:

The applicants respectfully request reconsideration of the Supplemental Decision dated February 28, 2006 dismissing applicants' Petition to Revive the above application and vacating earlier Decision dated February 25, 2005 granting said Petition.

**Background**

Relevant background facts are as follows:

- (1) The application results from a Development Agreement (hereinafter "Agreement") between 3M and Xennia Technology Limited ("Xennia").
- (2) Under terms of the Agreement, development work was conducted by Xennia at 3M's expense.
- (3) The Agreement called for the assignment of patent rights to 3M for inventions made by Xennia pursuant to the work called for.
- (4) Under the Agreement, 3M granted Xennia an exclusive license to patent rights in certain fields. The Agreement included a provision whereby if 3M proposed to abandon any patent rights, 3M would first notify Xennia and give Xennia time to request assignment of such rights to Xennia with the understanding that, if Xennia requested assignment, Xennia would

become responsible for further prosecution. If Xennia did not request assignment, the patent rights would be abandoned.

(5) 3M has an Agreement Tracking System in its legal department whereby if an Agreement involves rights under patents or applications, such rights are flagged in the legal department's docketing system such that, if 3M is unable to abandon a patent application without first obtaining a third party's consent pursuant to an existing Agreement, the patent application is marked in the docketing system as "abandonment blocked". Accordingly, if 3M decides to abandon a patent application, the docket is checked to see whether or not the application is marked "abandonment blocked". If marked "abandonment blocked", the application cannot be abandoned without first dealing with the reasons why the application is marked "blocked". In the present case, abandonment should have been blocked until the matter was cleared with Xennia.

(6) Unfortunately, the Agreement between 3M and Xennia was unintentionally not recorded and, as a consequence, the subject application was not marked with the required "abandonment blocked" notation on 3M's docket system.

(7) In September, 2003, the relevant 3M business unit decided to abandon the application. Neither the business unit, nor the attorney responsible, were aware of the Agreement or the provision therein requiring notice to Xennia before abandonment of the application and there was nothing in the docketing system to show that abandonment was blocked. Accordingly, the applicants' foreign agents were told to abandon the application.

(8) Subsequently, Xennia became aware of the abandonment and asked why they had not been notified of 3M's decision to abandon the application. Xennia advised 3M of the Agreement and, following investigation into the matter, it was realized that an error had been made in abandoning the application without first checking with Xennia and 3M thereupon filed a Petition to Revive the application for unintentional abandonment.

(9) The Petition was granted on February 25, 2005. However, the decision was subsequently vacated by the Supplemental Decision of February 28, 2006 which dismissed the Petition and held that the application was abandoned.

(10) The basis for the dismissal of the Petition in the Supplemental Decision is that, as the assignee 3M intentionally abandoned the application, notwithstanding the requirement in 3M's Agreement with Xennia to give Xennia advance notice of its intention to do so. It is from this Supplemental Decision that the applicants request reconsideration.

## **Discussion**

With all respect, it is submitted that the Supplemental Decision is in error and should be reversed with a finding that the abandonment of the application was unintentional in the specific set of circumstances involved i.e. the abandonment by 3M was made without knowledge of the relevant limitations on their right to abandon and their decision to abandon could not be complete without notice to Xennia and in the absence of approval by Xennia. It is recognized that a decision to abandon by an assignee, as the owner of all right, title and interest in and to an invention, would be considered intentional. However, in the present case, any intention to abandon was dependent, by Agreement, on Xennia's approval and this was not obtained. Xennia retained the right to make the final decision on abandonment. This being so, any intention to abandon on 3M's part was not complete without Xennia's approval and 3M could not abandon without Xennia's approval. With respect, it is submitted that, in the circumstances, the abandonment could not be intentional in the absence of Xennia's approval.

The Supplemental Decision states that, as the assignee of the entire right, title and interest in the application by virtue of the recorded assignment agreement and/or the "sponsored Development Agreement", 3M, as assignee, had "sole authority to reply in order to avoid abandonment (page 2, last line 1st full ¶, emphasis added). However, with respect, it is submitted that this is not correct. 3M's authority to abandon was restricted by the terms of the Agreement which provided, *inter alia*, that abandonment could not occur without Xennia's consent. Thus, the authority to abandon was not solely in 3M's hands. The intention to abandon could not be completed until Xennia gave their consent which, of course, they did not do. It is submitted that, in such special circumstances, the abandonment is unintentional because all parties essential to the decision to abandon were not involved. In essence, there had to be a "sign off" by Xennia on the 3M decision to abandon before the intent to abandon could be completed and this did not occur. The abandonment that resulted was unintentional by Xennia because they did not know of the decision and by 3M because their decision was made without a recognition of the necessary requirements for abandonment called for in the Development Agreement.

With respect, it is submitted that the Supplemental Decision places too much weight on 3M's legal and equitable title to the invention by virtue of the inventors' assignment to 3M and not enough on the condition imposed on 3M under the Development Agreement. The invention, even though assigned to 3M, remained subject to the conditions of the Agreement between 3M and Xennia. While 3M's decision to abandon was, in one sense, "intentional", it clearly must be viewed as unintentional when it is appreciated that those at 3M who decided to abandon, by

virtue of an unintentional docketing error, were not made aware of all the relevant facts and restrictions placed on them by the Development Agreement. These special circumstances should place this application in the not intentionally abandoned status.

The Decision states that neither the inventors nor Xennia retained any "reversionary interest in the invention" (page 2, 2nd ¶ of decision). However, Xennia clearly retained a reversionary interest in that the application could not be abandoned without their permission.

The first ¶, page 3 of the Decision also states that "the evidence shows that the party having the sole right to reply in order to avoid abandonment (i.e. 3M) deliberately permitted the present application to become abandoned". However, as noted, there is a fundamental error in this statement in that, under the Agreement, 3M did not have the sole right to abandon. They needed Xennia's approval and this was unintentionally not obtained.

The decision by 3M to abandon the application cannot be viewed as intentional in the absence of a showing that all the relevant factors were considered by 3M.<sup>1</sup> In this case, the people who decided to abandon the application did not know of the restrictions against doing so because they were not made aware of the Development Agreement between 3M and Xennia due to the inadvertent unintentional failure to properly record the abandonment blocks on the 3M docketing system.

While 3M breached its Agreement with Xennia by failing to give Xennia notice of its wish to abandon the application, the failure to give Xennia notice was itself unintentional and happened because of 3M's inadvertent failure to docket that abandonment of the application was blocked because of the Development Agreement. In such circumstances, the abandonment should be considered unintentional in that this would not have occurred if the relevant people at 3M were fully informed.

Two decisions were cited in the Supplemental Decision to support the Office's finding that 3M had sole right to reply in order to avoid abandonment, and their deliberate decision to do so resulted in the application becoming abandoned. See *Wende v. Horine*, 191 F. 620, 621 (C.C.N.D. Ill. 1911) (holding that an assignment of the entire right, title, and interest passes both legal and equitable title) and *Kim v. Quigg*, 718 F. Supp. 1280, 1284 (E.D. Va. 1989) (holding that an assignment of the entire right, title and interest to an invention passes both legal and equitable title, and a reversionary interest exists only if there is a conveyance of less than the entire interest). However, these cases do not involve the special circumstances of the present

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<sup>1</sup> For example, a thief may intend to steal a wallet but he cannot be charged with stealing if the wallet turns out to be his own.

case or the equivalent. *Kim v. Quigg* is relied on by the Office as standing for the proposition that if an assignment agreement provides for the possibility of reassignment back to the assignor, the assignor does not retain any reversionary interest in the invention. In *Kim*, a medical student and his professor at the University of Washington ("the University") were co-inventors of an invention, sponsored by federal funds, directed to techniques for forming liposomes, which could be used as a delivery vehicle for anti-cancer drugs. *Kim* at 1282. The University used a non profit patent management organization to assist in patenting and licensing technology, and entered into a technology administration agreement, which, provided, *inter alia*, that the patent management organization "may give written notice to the University of its intention to abandon" the application (emphasis added). *Id.* The patent management organization abandoned the application without giving notice to the University or the inventors, and the inventors, who would have been entitled to share a portion of the royalty expenses, sought judicial review of the USPTO's decision to dismiss the petition to revive. The holding of abandonment was maintained but as noted, the facts at issue here are different from those in *Kim*. Here, 3M had the obligation to notify Xennia of any desire to abandon the application. In the agreement in *Kim*, the relevant provision was phrased in the permissive, such that the assignee, the Washington Research Foundation, "may give written notice to the University of its intention to abandon" a patent application. *Id.* Moreover, the Development Agreement between 3M and Xennia provided for more than the "possibility of reassignment back to Xennia." It obligated 3M to notify Xennia of a desire to abandon the application and gave Xennia an absolute, undeniable right in being reassigned the patent rights if 3M lost interest. Such an obligation takes this out of the realm of *Kim*. Accordingly, while Xennia may not have a reversionary interest *per se* in the patent rights, they have a *de facto* reversionary interest, due to the contractual mechanism that obligated 3M to notify them of any intent to abandon the application and provided Xennia with the authority to assume ownership of the patent rights, thus avoiding abandonment.

Applicants further note the following section in the Manual of Patent Examining Procedure (MPEP).

Where an applicant enters [into] an agreement with a third party for the third party to take control of the prosecution of an application, the applicant will be considered to have given the third party the right and authority to prosecute the application to avoid abandonment (or not to prosecute), unless, by the express terms of the contract between applicant and the third party, the third party is conducting the prosecution of the application for the

applicant solely in a fiduciary capacity. See *Futures Technology Ltd. v. Quigg*, 684 F. Supp. 430, 431, 1589 (E.D. Va. 1988). Otherwise, the applicant will be considered to have given the third party unbridled discretion to prosecute (or not prosecute) the application to avoid abandonment, and will be bound by the actions or inactions of such third party. (MPEP) § 711.03(c), Section II.E.

In this case, the express terms of the contract between 3M and Xennia place upon 3M what in essence is a fiduciary duty to ensure that the application does not go abandoned without notifying Xennia. Thus, 3M did not have unbridled discretion to prosecute (or not prosecute) the application to avoid abandonment. The contract between 3M and Xennia contained express mechanisms (*i.e.*, the requirement to notify Xennia upon 3M's preference to abandon the application and Xennia's option to assume all rights in the application upon 3M's notice) to impose upon 3M a high standard of care in prosecuting the application. 3M's failure to exercise that standard of care should not bind Xennia to a future without the opportunity to prosecute this application. In no way was it Xennia's intention to abandon the application.

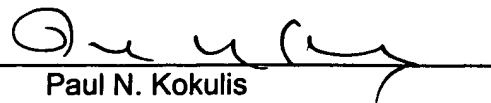
In summary, it is thus apparent that the abandonment of the application was not intentional, since an intentional abandonment would have required the approval of both parties, 3M and Xennia, to be effective. Had Xennia been informed of 3M's preference to abandon the application, it certainly would have stepped in to ensure that the application not go abandoned. Nor can the abandonment be considered intentional when it is recognized that 3M's failure to notify Xennia was based on an inadvertent failure of the 3M docketing system. But for the unintentional failure to record the agreement between 3M and Xennia, 3M's docketing system would have warned 3M, through the "abandonment blocked" status, to notify Xennia of 3M's preference to abandon the patent. Xennia, in turn, would have exercised its right to assume ownership of the patent application and would not have allowed the patent to go abandoned.

It is urged, for the reasons noted, that the ruling in the Supplemental Decision be withdrawn and that the earlier Decision of February 25, 2005, granting the Petition to Revive, be reinstated. It is believed that, in the circumstances, this is the fair and equitable thing to do and provides an opportunity to correct a situation where the applicants will otherwise suffer irreparable damage. It is noted in this regard that in a case of this sort, the Office should

resolve any doubts that it might have in favor of the petitioner, rather than adhering to a rigid legalistic approach which effectively forecloses the petitioner from obtaining the patent protection it seeks.

Respectfully submitted,

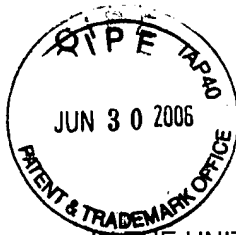
**MORGAN, LEWIS & BOCKIUS LLP**

By:   
Paul N. Kokulis  
Reg. No. 16,773

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Date: April 27, 2006





IFW

Attorney Docket No. 056222-5085-US

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

In re Application of	)	
	)	Attn: Office of PCT Legal Administration
Inventors: Alan L. HUDD et al.	)	
	)	
Appln. No. 10/520,977	)	Group Art Unit: unknown
	)	
Filed: January 11, 2005	)	Examiner: unassigned
	)	
Title: INKJET MAINTENANCE KIT	)	

**RESPONSE TO NOTICE OF ABANDONMENT**

Mail Stop PCT  
Commissioner for Patents  
Office of PCT Legal Administration  
P.O. Box 1450  
Alexandria, Virginia 22313-1450

Dear Sir:

Confirming telephone discussion with Ms. Nguyen (571-272-6051) of the Office of Petitions, it is understood that the Notice of Abandonment was sent out in error as the PTO records apparently show that applicants' renewed petition and request for reconsideration were in fact timely filed on April 27, 2006. It is understood that, in the circumstances, no action is required regarding the abandonment notice and that the renewed petition and request for reconsideration will be duly considered.

It is noted that the undersigned was told that a response to the Notice of Abandonment should not be filed. However, in the absence of further action from the PTO, it has been deemed necessary to submit this response in order to complete the record from the applicants' standpoint within the time framework set by the abandonment notice.

As required, a copy of the Notice of Abandonment is attached, along with a copy of the applicants' timely filed renewed petition and copy of postcard showing receipt of the petition by the PTO on April 27, 2006.

Withdrawal of the holding of abandonment and granting of the applicants' Petition to Revive the application are requested.

Respectfully submitted,

**MORGAN, LEWIS & BOCKIUS LLP**

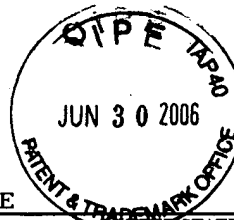
By: 

Paul N. Kokulis  
Reg. No. 16,773

**CUSTOMER NO. 009629**  
MORGAN, LEWIS & BOCKIUS LLP  
1111 Pennsylvania Avenue, NW  
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Tel.: (202) 739-3000  
**Date: June 30, 2006**



## UNITED STATES PATENT AND TRADEMARK OFFICE



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APPLICATION NUMBER	FILING OR 371(C) DATE	FIRST NAMED APPLICANT	ATTY. DOCKET NO./TITLE
10/520,977		Alan L. Hudd	056222-5085-US

CONFIRMATION NO. 6464

ABANDONMENT/TERMINATION  
LETTER

09629  
 MORGAN LEWIS & BOCKIUS LLP  
 1111 PENNSYLVANIA AVENUE NW  
 WASHINGTON, DC 20004

Date Mailed: 05/01/2006

## NOTICE OF ABANDONMENT

*Decision on Petition*

The above-identified application is **abandoned** for failure to timely reply to the Decision on Petition mailed on .

If a complete reply to the petition decision was previously filed by applicant within the time period set forth in the petition decision, applicant may request for reconsideration of the holding of abandonment within 2 months from the mailing of this notice of abandonment by filing a petition to withdraw the holding of abandonment under 37 CFR 1.181(a). No petition fee is required. The petition must be accompanied by a true copy of the originally filed reply and the item(s) identified in one of the following:

1. A properly itemized date-stamped postcard receipt (see MPEP § 503);
2. If the originally filed reply included a certificate of mailing or transmission in compliance with 37 CFR 1.8(a), a copy of the certificate of mailing or transmission and a statement in compliance with 37 CFR 1.8(b) (see MPEP §§ 512); or
3. If the reply was filed via Express Mail, a submission satisfying the requirements of 37 CFR 1.10(e) including, for example, a copy of the Express Mail mailing label showing the "date-in" (see MPEP § 513).

Any petition to withdraw the holding of abandonment should be directed to OIPE.

If applicant did not previously file a complete reply within the time period set forth in the petition decision, applicant may file a petition to revive the application under 37 CFR 1.137.

Under 37 CFR 1.137(a), a petition requesting the application be revived on the grounds of **UNAVOIDABLE DELAY** must be filed promptly after the applicant becomes aware of the abandonment and such petition must be accompanied by: (1) an adequate showing of the cause of unavoidable delay; (2) the required reply to the above-identified Notice; (3) the petition fee set forth in 37 CFR 1.17(i); and (4) a terminal disclaimer if required by 37 CFR 1.137(d). See MPEP § 711.03(c) and Form PTO/SB/64.

Under 37 CFR 1.137(b), a petition requesting the application be revived on the grounds of **UNINTENTIONAL DELAY** must be filed promptly after applicant becomes aware of the abandonment and such petition must be accompanied by: (1) a statement that the entire delay was unintentional; (2) the required reply to the above-identified Notice; (3) the petition fee set forth in 37 CFR 1.17(m); and (4) a terminal disclaimer if required by 37 CFR 1.137(d). See MPEP § 711.03(c) and Form PTO/SB/64.

Any questions concerning petitions to revive should be directed to the "Office of Petitions" at (571)-272-3282. Petitions should be mailed to: Mail Stop Petitions, Commissioner for Patents, P.O. Box 1450, Alexandria VA 22313-1450.

---

*A copy of this notice **MUST** be returned with the reply.*

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Office of Initial Patent Examination (571) 272-4000, or 1-800-PTO-9199, or 1-800-972-6382  
PART 2 - COPY TO BE RETURNED WITH RESPONSE



MORGAN LEWIS & BOCKIUS LLP

PLEASE STAMP AND RETURN TO SHOW RECEIPT OF:

First Inventor:	HUDD et al.	Atty:	Paul N. Kokulis
U.S. Appln. No.:	10/520,977	Date:	April 27, 2006
Client/Matter No.:	056222-5085-US		
Due Date:	April 28, 2006		

1. Renewed Petition under 37 C.F.R. § 1.137(b)
2. Request for Reconsideration of Supplemental Decision Denying Petition to Revive

PNK/mah



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**DOCKETED**  
By BR Date 4/28/06

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